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FM AMEMBASSY BEIJING
TO SECSTATE WASHDC IMMEDIATE 7167
INFO AIT TAIPEI IMMEDIATE 3003
AMEMBASSY LONDON
AMEMBASSY TOKYO
AMCONSUL SHENYANG
AMCONSUL SHANGHAI
AMCONSUL HONG KONG
AMCONSUL CHENGDU

C O N F I D E N T I A L BEIJING 003816

C O R R E C T E D C O P Y (TEXT/ADDING 3 LINES END PARA 21)

AIT TAIPEI PASS REP ACKERMAN

E.O. 12958: DECL: 1/29/07

TAGS: [PREL](#) [PHUM](#) [PGOV](#) [ETRD](#) [ECON](#) [CH](#) [HK](#) [TW](#)

SUBJECT: CODEL ACKERMAN MEETING WITH ASSISTANT MINISTER
OF FOREIGN AFFAIRS YANG JIECHI, JANUARY 28

11. (U) CLASSIFIED BY WILLIAM A. STANTON, POLMINCOUNS.
REASONS: 1.5 B AND D.

12. (C) SUMMARY: IN AN OTHERWISE CORDIAL JANUARY 28
BREAKFAST MEETING WITH CONGRESSMAN ACKERMAN, ASSISTANT
MINISTER OF FOREIGN AFFAIRS YANG JIECHI PASSIONATELY
ARGUED THAT CHINA HAD NOT REPEALED THE HONG KONG BILL OF
RIGHTS. CHINA, YANG SAID, WAS MERELY TRYING TO MAKE THE
BILL OF RIGHTS COMPATIBLE WITH THE SUPREMACY OF THE BASIC
LAW. THE BASIC LAW, HE STATED, ALREADY PROVIDED FOR
HUMAN RIGHTS, INCLUDING FREEDOM OF ASSEMBLY AND FREEDOM
OF THE PRESS. YANG COMMENTED HONG KONG'S SUCCESSFUL
REVERSION TO CHINESE SOVEREIGNTY COULD PERHAPS BE THE
MODEL FOR RESOLVING THE ISSUE OF TAIWAN. NOTING CHINA'S
ECONOMIC SUCCESSES AND THE EXPECTATION THAT FOREIGN TRADE
WOULD CONTINUE TO GROW, YANG EXPRESSED THE HOPE THAT WITH
"FEWER RESTRICTIONS" SINO-U.S. TRADE WOULD ALSO
INCREASE. YANG SAID HE WAS PLEASED THAT CHINA AND THE
UNITED STATES NOW SHARED A MORE COMMON UNDERSTANDING ON
HUMAN RIGHTS. WITH EVIDENT PRIDE, YANG NOTED THAT THE
CHINESE PRESS WAS NOW SO RELIABLE THAT THE STATE
DEPARTMENT USED FIGURES PROVIDED BY THE CHINESE MEDIA IN
ITS HUMAN RIGHTS REPORT ON CHINA. AS FOR TAIWAN, YANG
SAID THAT HONG KONG'S SUCCESSFUL REVERSION TO CHINESE
SOVEREIGNTY COULD PERHAPS SERVE AS THE MODEL FOR
RESOLVING THIS ISSUE.

13. (C) ACKERMAN ASSURED YANG THAT THE UNITED STATES WAS
NOT SIDING WITH BRITAIN AGAINST CHINA ON THE ISSUE OF
HONG KONG. THE UNITED STATES WAS CONCERNED ONLY WITH THE
PEOPLE OF HONG KONG AND THEIR LEVEL OF FREEDOMS FOLLOWING
REVERSION. ACKERMAN AGREED THAT THE CHINESE ECONOMY WAS
DOING WELL, AND HOPED THAT WITH FAIR MARKET ACCESS,
SINO-U.S. TRADE WOULD GROW. ON HUMAN RIGHTS, ACKERMAN
SAID THAT ALTHOUGH HE DID NOT BELIEVE THAT MFN AND HUMAN
RIGHTS SHOULD BE LINKED, IT WAS NONETHELESS IMPORTANT
THAT CHINA CONTINUE TO SHOW PROGRESS IN THIS AREA IF IT
HOPED TO AVOID THE ANNUAL MFN REVIEW. END SUMMARY.

14. (U) ON JANUARY 28 ASSISTANT MINISTER OF FOREIGN
AFFAIRS YANG JIECHI HOSTED A BREAKFAST MEETING FOR
REPRESENTATIVE GARY ACKERMAN. DAVID ADAMS (SPECIAL
ASSISTANT TO ACKERMAN), REGGIE LIU (ASSISTANT TO
ACKERMAN), POLMINCOUNS AND POLOFF (NOTETAKER) ACCOMPANIED
ACKERMAN. NORTH AMERICAN AND OCEANIAN AFFAIRS DEPUTY
DIRECTOR GENERAL LIU XIAOMING, FIRST SECRETARY XIE FENG,
CPIFA EXECUTIVE COUNCIL MEMBER XIAO HOUE ACCOMPANIED
YANG.

15. (C) NOTING THAT HE HAD HEARD THAT THE CONGRESSMAN HAD
HAD A SUCCESSFUL MEETING WITH VICE PREMIER/FOREIGN
MINISTER QIAN QICHEN THE PREVIOUS DAY, YANG EXPRESSED THE
HOPE THAT THE CONGRESSMAN WOULD ENCOURAGE HIS COLLEAGUES
ON THE HILL TO VISIT CHINA IN ORDER THAT THEY TOO MIGHT
BETTER UNDERSTAND THE SITUATION IN CHINA. ACKERMAN,

THANKING YANG FOR HOSTING THE BREAKFAST, ASSURED YANG THAT HE WOULD DO SO.

HONG KONG

16. (C) ACKERMAN, NOTING THAT HE HAD JUST COME FROM HONG KONG, OBSERVED THAT THE HONG KONG BUSINESS COMMUNITY SEEMED CONFIDENT THAT THE TRANSITION WOULD PROCEED SMOOTHLY. SOME OF ACKERMAN'S CONTACTS IN HONG KONG HAD EXPRESSED SOME APPREHENSION, HOWEVER, BECAUSE CHINA WAS RESCINDING THE BILL OF RIGHTS. NO ONE, ACKERMAN SAID, COULD TOLERATE FREEDOMS BEING TAKEN AWAY. IN ADDITION BECAUSE THERE WAS NO APPARENT THREAT TO THE HONG KONG GOVERNMENT, IT APPEARED THAT CHINA HAD ARBITRARILY TAKEN THIS ACTION. ACKERMAN STATED THAT IT SEEMED AS IF THE PEOPLE OF HONG KONG WERE PAWNS BETWEEN TWO SQUABBLING POWERS -- CHINA AND BRITAIN.

17. (C) VISIBLY ANNOYED, YANG COUNTERED THAT CHINA WAS NOT RESCINDING OR REPEALING THE BILL OF RIGHTS. IN FACT, CHINA WAS ONLY TRYING TO MAKE THE BILL OF RIGHTS COMPATIBLE WITH THE SUPREMACY OF THE BASIC LAW. YANG BLAMED THE WESTERN MEDIA FOR THE INCORRECT PERCEPTION OF THE ACTIONS CHINA HAD TAKEN. YANG STATED THAT THE WESTERN MEDIA WERE ALWAYS CRITICAL OF CHINA'S ACTIONS IN HONG KONG AND RARELY CRITICAL OF BRITAIN. ACCORDING TO YANG, THE BASIC LAW ALREADY PROVIDED FOR HUMAN RIGHTS, INCLUDING THE FREEDOM OF ASSEMBLY AND FREEDOM OF THE PRESS. NOTING THAT BRITAIN DID NOT HAVE A BILL OF RIGHTS, YANG ASKED RHETORICALLY WHY HONG KONG NEEDED A BILL OF RIGHTS IF BRITAIN DID NOT.

18. (C) YANG MAINTAINED THAT THE BRITISH, "BELIEVING THAT THEY COULD DO WHATEVER THEY LIKED," HAD MADE THE BILL OF RIGHTS MORE IMPORTANT THAN THE BASIC LAW. THIS WAS IN DIRECT CONTRADICTION OF THE AGREEMENT THAT CHINA AND THE U.K. SIGNED IN 1984. YANG EMPHATICALLY STATED THAT CHINA WOULD "NOT SWALLOW" BRITAIN'S ATTEMPTS TO PUT CHINA "IN ITS PLACE." "THIS IS NOT THE OPIUM WAR. WE WILL THROW IT BACK," YANG DECLARED. YANG, WITH OBVIOUS ANGER, GAVE A THUMBNAIL SKETCH OF THE OPIUM WAR AND REITERATED THAT CHINA WOULD NOT AGAIN BE PUSHED AROUND.

19. (C) ACKERMAN ASSURED YANG THAT THE UNITED STATES WAS NOT TAKING SIDES WITH THE BRITISH AGAINST CHINA. HE EMPHASIZED THAT HIS ONLY CONCERN WAS THAT THE PEOPLE OF HONG KONG SHOULD BE TREATED FAIRLY. BEIJING SHOULD REASSURE THE PEOPLE OF HONG KONG THAT THEIR WAY OF LIFE WOULD REMAIN THE SAME FOLLOWING REVERSION.

110. (C) YANG SAID THAT CHINA HOPED TO MAINTAIN GOOD BILATERAL RELATIONS WITH BRITAIN AFTER JULY 1997. TOWARD THAT END, DEPUTY PRIME MINISTER HESELTINE HAD VISITED CHINA ON A NUMBER OF OCCASIONS. RECENTLY, DEFENSE MINISTER CHI HAOTIAN HAD STOPPED IN LONDON ON HIS WAY TO THE UNITED STATES. IN FEBRUARY, FOREIGN MINISTER QIAN WOULD MEET WITH FOREIGN MINISTER RIFKIND AT THE ASEM MEETING IN SINGAPORE. ONCE THE "HISTORICAL LEGACY" OF HONG KONG WAS RESOLVED, YANG FORESAW NO REASON WHY SINO-U.K. RELATIONS WOULD NOT CONTINUE TO IMPROVE.

TRADE

111. (C) YANG PROVIDED A BRIEF OVERVIEW OF CHINA'S ECONOMY, POINTING OUT THAT LAST YEAR THE ECONOMY HAD GROWN BY 9.7% IN THE AGRICULTURAL SECTOR, 12% IN THE INDUSTRIAL SECTOR, AND 8% IN THE SERVICE SECTOR. CHINA'S BILATERAL TRADE REACHED USD 300 BILLION, PLACING IT 11TH IN THE WORLD, YANG SAID. PREDICTING THAT CHINA'S ECONOMY WOULD CONTINUE TO EXPAND, YANG EXPRESSED THE HOPE THAT CHINA'S BILATERAL TRADE WITH THE UNITED STATES WOULD ALSO INCREASE. FOLLOWING A DECADE OR SO OF STRUCTURED REFORM, MANY U.S. COMPANIES -- FOR EXAMPLE BOEING -- WERE IN A POSITION TO SUCCESSFULLY COMPETE FOR CHINA'S BUSINESS. YANG SAID THAT WITH "FEWER RESTRICTIONS" NORMAL TRADE SHOULD INCREASE.

¶12. (C) YANG MAINTAINED THAT THE U.S. AND CHINESE ECONOMIES WERE COMPLEMENTARY, IN CONTRAST TO THE U.S. AND JAPANESE ECONOMIES WHICH WERE COMPETITIVE. ACCORDING TO YANG, MANY LARGE U.S. COMPANIES, INCLUDING BOEING AND AT&T, WERE DOING WELL IN CHINA. NOTING THAT NEW YORK WAS AN INDUSTRIAL "POWERHOUSE IN QUITE A FEW AREAS," YANG ENCOURAGED CONGRESSMAN ACKERMAN TO LOOK TO CHINA AS A PLACE TO DO BUSINESS.

¶13. (C) ACKERMAN RESPONDED THAT HE WAS ENCOURAGED BY YANG'S REFRESHING VIEWS, ADDING THAT HE AGREED WITH ALMOST EVERYTHING THAT YANG HAD SAID. WHILE HE ALSO WANTED TO INCREASE BILATERAL TRADE, ACKERMAN STATED THAT HE WAS NONETHELESS CONCERNED ABOUT FAIR MARKET ACCESS. ANOTHER CONCERN WAS HUMAN RIGHTS IN CHINA.

¶14. (C) CONTINUING, ACKERMAN SAID THAT HE BELIEVED THAT MFN AND HUMAN RIGHTS SHOULD NOT BE LINKED. HOWEVER, IT WAS IMPORTANT THAT CHINA CONTINUE TO MAKE PROGRESS IN HUMAN RIGHTS IF IT HOPED TO AVOID THE ANNUAL MFN REVIEW. AS U.S. CONFIDENCE IN CHINA VIS-A-VIS HUMAN RIGHTS GREW, SINO-U.S. RELATIONS WOULD ALSO IMPROVE. RESPONDING, YANG EXPRESSED THE HOPE THAT PERMANENT MFN FOR CHINA WOULD NOT BE TOO FAR OFF.

HUMAN RIGHTS

¶15. (C) ON HUMAN RIGHTS, YANG SAID THAT HE WAS PLEASED THAT THE UNITED STATES AND CHINA NOW SHARED A MORE COMMON UNDERSTANDING OF THIS ISSUE. SEVERAL YEARS BACK, THE UNITED STATES DEFINED HUMAN RIGHTS ONLY IN TERMS OF CIVIL RIGHTS, YANG SAID. IN CONTRAST, THE UNITED STATES NOW RECOGNIZED THAT THE PEOPLE'S LEVEL OF SUBSISTENCE AND ECONOMIC DEVELOPMENT WERE ALSO IMPORTANT. YANG MADE THE POINT THAT MUCH OF CHINA'S BAD IMAGE IN THE UNITED STATES ON THE ISSUE OF HUMAN RIGHTS WAS DUE TO BIASED AMERICAN REPORTING. CITING A RECENT ARTICLE IN THE WALL STREET JOURNAL, YANG SAID THAT HE AGREED WITH SEVERAL AMERICAN SCHOLARS QUOTED IN THE ARTICLE THAT TOO OFTEN "THE OTHER SIDE OF THE STORY" IN CHINA, THE MORE POSITIVE STORY, WAS NOT REPORTED.

¶16. (C) ACKERMAN REPLIED THAT WHILE NO GOVERNMENT OR GOVERNMENT OFFICIAL LIKED TO BE CRITICIZED, A FREE PRESS WAS NECESSARY TO INSURE THAT GOVERNMENTS DID NOT BECOME OPPRESSIVE. THE PRESS, HE SAID, HAD AT TIMES CAUSED HIM SOME PAIN, BUT HE NONETHELESS BELIEVED THAT A FREE PRESS MUST BE ACCOMMODATED.

¶17. (C) YANG SAID THAT THE CHINESE PRESS WAS TRYING TO COMPETE WITH THE FOREIGN PRESS AS A CREDIBLE SOURCE OF INFORMATION. TOWARD THAT END, THE CHINESE MEDIA REGULARLY AND TRUTHFULLY REPORTED ON ISSUES SUCH AS LOCAL CRIME. WITH EVIDENT PRIDE, YANG SAID THAT "EVEN THE U.S. HUMAN RIGHTS REPORT" USED FIGURES PROVIDED BY THE CHINESE MEDIA WHEN REPORTING ON ISSUES SUCH AS VILLAGE ELECTIONS AND ABUSES OF POWER BY THE POLICE. THE CHINESE PRESS WAS NOT MERELY PROPAGANDA -- "LIKE IN THE OLD DAYS" -- YANG ASSERTED.

TAIWAN

¶18. (C) YANG MAINTAINED THAT TAIWAN PRESIDENT LEE TENG-HUI WOULD FAIL IN HIS EFFORTS TO SLOW TRADE BETWEEN THE MAINLAND AND TAIWAN. ACCORDING TO YANG, THE RECENTLY ANNOUNCED DIRECT SHIPPING ROUTES WERE ANOTHER BOOST TO BILATERAL TRADE. YANG SAID THAT HONG KONG'S SUCCESSFUL REVERSION TO CHINESE SOVEREIGNTY COULD PERHAPS SERVE AS THE MODEL FOR RESOLVING THE ISSUE OF TAIWAN.

¶19. (U) REPRESENTATIVE ACKERMAN DID NOT HAVE THE OPPORTUNITY TO CLEAR THIS CABLE.

MCCA HILL